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FOREIGN AGRICULTURE

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World Demand Spurs Brazil's Soybeans

U.S. Farm Trade Surplus Up

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This week's cover:

Cotton has faced a number of problems in the last decade. Growing competition from synthetics, frequent crop losses, and wide fluctuations in production and prices have discouraged producers in many countries. Such is the case in Mexico, where what earlier seemed to be an unusually good season has ended with lower prices and yields, dampening enthusiasm for further expansion. For details, see article beginning on page 6.

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GROWING WORLD DEMAND FOR SOYBEANS AND SOYBEAN MEAL STIMULATES BRAZILIAN PRODUCTION AND TRADE

By W. GARTH THORBURN
U.S. Agricultural Attaché
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SOYBEANS AND SOYBEAN MEAL PRODUCTION AND TRADE

BUSINESS HAS NEVER been better for U.S. soybean producers, who this year are enjoying record high prices as world demand for soybeans and soybean meal continues to spiral. However, this same strong demand is also sparking a challenge to U.S. dominance of world soybean trade, as a onetime insignificant producer, Brazil, makes increasing inroads in the important European Community (EC) market.

Brazil this year is planning to export about a million tons of soybeans and over a million of soybean meal. If realized, this would be a nearly fivefold gain over 1971 for soybean exports and a 13-percent gain for meal. Both go mainly to the EC.

The Brazilian Government has been a major force behind this growth, actively encouraging the acreage expansion needed to bring about larger production and trade. This, plus unprecedented high world prices, has led to production rising more than 60 percent in 1971-72 to an estimated 3.4 million metric tons. More increases are planned in the years ahead, and production could double by 1976-77.

Brazil's record soybean crop this season comes from an estimated 5.7 million acres—42 percent more than area planted in 1970-71. Unusually good yields accompanied the acreage expansion, especially in Parana, where they were described as spectacular.

Most Brazilian sources believe that the high yields cannot be repeated again in 1972-73. But large acreage gains will keep production moving sharply upward. In Paraná, a 50-percent increase in area to 1.9 million acres is expected to raise production to 1.3 million tons from 930,000 this season. And in Rio Grande do Sul, the State Government is conducting a campaign to boost production 50 percent to nearly 3 million tons. (Recent heavy rains here have damaged wheat severely, with a resulting loss of income. Farmers might thus find it necessary to reach the 3-million-ton mark in order to compensate.) São Paulo State also plans to increase production to about 300,000 tons from 220,000.

These increases are expected to expand Brazil's total soybean crop next season to at least 4 million tons, and it could go even higher if some of the planting forecasts materialize.

Brazil's soybean exports through the first 7 months of 1972, according to unofficial sources, were 628,563 metric tons—a good start toward the 1-million-ton export goal for the full season. This compares with sales in all of 1971 of only 213,000 tons—a decline from the 290,000 tons of 1970 as a result of domestic prices being 15 percent above export prices. (Presumably, only São Paulo's exports were competitive last year because of removal of the 15-percent ICM levy, a State municipal sales tax, from exports.)

The drop in soybean sales during 1971 was more than made up by increased shipments of soybean meal—up by 78 percent from 1970 to 872,000 tons. These larger sales created stiffer competition for U.S. meal in the important EC market—which last year purchased 75 percent of Brazil's meal exports and 2.7 million metric tons of U.S. meal. This year, expected Brazilian sales of at least a million tons of meal will mean greater competition for the United States. However, world demand for soybean meal is so strong that meal prices are at record levels.

Between January and July of this year, 217,454 tons of soybean meal had actually been shipped out.

Exports of soybean oil totaled 21,559 tons in the first 7 months of 1972, according to unofficial data, and some sources believe that they may reach 100,000 by year's end. This compares with 7,000 tons shipped out last year.

Domestic consumption of soybean oil and meal continues to grow, but at a slow rate when compared with exports. Total fats and oils consumption, for instance, is estimated at 565,000 metric tons in 1972 and is forecast to rise to around 605,000 in 1973 and 690,000 by 1975. Since production of soybean oil is forecast at 375,000 tons and consumption at 275,000, efforts are being made to ship all exportable oil as soon as possible.

The Brazilian Government has been encouraging expansion in production and exports by providing ample credit and good minimum prices. Its reasoning reportedly is that since only the United States and Brazil are exporters of note and since it estimates that demand for soybeans and meal is rising at about 10 percent a year, there is room for expansion in both countries without harming their markets.

Government support prices were increased 20 percent to $2.01 a bushel in 1971-72 and were upped to $2.29 beginning July 14 of this season.

PRICES HAVE REMAINED well above support levels — actually reaching a peak of $2.97 a bushel last season—and have thus attracted land away from cotton, corn, and coffee and encouraged the use of new land. In Paraná State, for instance, most of the expanded acreage can be attributed to cotton farmers turning to soybeans after being disappointed with returns.

Crushers also find soybeans profitable (despite some statements that they make no money exporting soybean oil) because high returns from meal sales enable them to gain an adequate crushing margin. Exports of the beans as such reportedly provide small profit margins to exporters, depending upon time of year and volume of sales.

An important factor that has indirectly boosted soybean production is Brazil's wheat program. Farmers who benefited from the Government's subsidized wheat price of $95 per metric ton in 1971 learned that using a wheat/soybean rotation is more economic than merely planting wheat.

This rotation spreads wheat capital costs for fertilizer and equipment over the two crops because soybeans benefit from residual fertilizer, and farmers are able to use combines to harvest two cash crops in the same year. The 1971 wheat area of 5.3 million acres, mostly in Rio Grande do Sul, suggests the acreage available for double cropping of wheat and soybeans.

U.S. Agricultural Import Gain Slows As Farm Trade Surplus Hits 5-Year High

By THOMAS A. WARDEN
Foreign Development and Trade Division
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UNITED STATES agricultural trade during the 1972 fiscal year continued to be the one bright spot in an otherwise bleak foreign trade picture. While the nation's overall trade balance fell $5.1 billion into the red, agricultural trade was on the plus side by a little over $2 billion, for its best year since 1967.

Moreover, the excess of farm exports over imports would likely have been even greater had it not been for the longshoremen's strike during the first half of the year, uncertainties in the international monetary situation, and some slowdown in economic growth in major foreign markets.

Larger agricultural exports—up 4 percent in value to a record $8 billion —were the major factor behind the rise, but also important was a continued slowdown in import gains. These purchases rose by only 4 percent, the same as in the previous year, compared with 11 percent in 1969-70 and a yearly average since 1960 of 6 percent.

The total for agricultural imports in fiscal 1972 was $6 billion, for a dollar gain of $214 million over the previous year. All of this gain occurred during the last half of the year, as settlement of the longshoremen's strikes and lower duties tended to shift purchases into this period. Thus, January through June 1972 imports amounted to $3.2 billion, compared with just under $3 billion in the same period of fiscal 1971 and $2.8 billion in the first half of fiscal 1972.

As in the previous 2 years, these imports were large enough to make the United States the world's second largest importer behind West Germany. However, per capita imports were still only about a fourth of the agricultural purchases by West Germany and several of the other major European importers.

Countries sending more farm products to the United States in fiscal 1972 included Brazil, Mexico, Colombia, Argentina, Peru, Honduras, the EC and EFTA nations, Spain, Australia, New Zealand, Malaysia, Singapore, Mainland China, Angola, South Africa, Zaire, and Mozambique.

Mainland China's exports to this country reached $12 million following the suspension of a 20-year embargo. Commodities shipped included hog bristles ($5.9 million), cassia ($2.6 million), raw silk, essential oils, feathers, fruit and vegetable preparations, cashmere goat hair, and gelatin.

All of the import increase occurred in agricultural products competitive with those produced in the United States. Imports of such products expanded 7 percent in value to nearly $4 billion; however, more than half of this gain was due to price increases, especially in cattle, beef, cheese, casein, and sugar. Measured by a volume index (1967 = 100), competitive imports rose only 3 percent to 122.

Numbers of imported feeder **cattle and calves,** for instance, were only 9 percent, or 91,000 head, above those imported in fiscal 1971, but their value jumped nearly one-fourth to $123 million. Mexico supplied the additional dutiable cattle entries in response to strong U.S. demand, high prices, and the lifting of Mexican export restrictions imposed last year to prevent herd depletion.

Strong U.S. demand for **meat** was reflected in increased import volume and prices. Overall meat entries expanded by 72 million pounds, or 4 percent, while value gained 8 percent to nearly $1.1 billion.

Largest item in the meat category, fresh-chilled boneless beef, advanced 8 percent to more than 1.1 billion pounds, while value jumped 14 percent to nearly $600 million. Veal, mutton, and pork imports were also higher, but imports of prepared and preserved beef turned downward as a result of reduced supplies from Argentina and Brazil. Meat imports were slow last fall during the port strikes but accelerated sharply in the second half of the year. Imports of fresh-chilled boneless beef during January-June were 11 percent above those in the same 1971 period, totaling 516 million pounds; value rose 15 percent to $281 million. Australia, New Zealand, and Central American countries accounted for the gain.

UNITED STATES meat import quotas for 1972 were initially raised in March to fill increased demand. They were suspended, for the remainder of the year, however, in mid-July.

Price increases led to a rise in U.S. imports of **dairy products** during fiscal 1972. Cheese entries fell 5 percent to less than 149 million pounds, but value gained 5 percent to $89 million. Volume reductions occurred mainly in the unspecified "basket" category cheeses. Some of these were restricted by Section 22 quotas when valued at less than 47 cents per pound prior to June 3. On June 3, the "price break" was raised to 62 cents per pound.

Casein import volume fell 15 percent in 1971-72, but higher prices pushed value up nearly one-half to $41 million.

Processed items accounted for most of the increase in **U.S. fruit and vegetable** imports this past year. Purchases of frozen orange juice concentrate, chiefly from Brazil, surged to 38 million gallons, single-strength basis, valued at $14 million, as suppliers rushed to fill consumption gaps left when last

winter's Florida freeze cut domestic juice production. Apple juice entries from diverse sources gained a third in volume to 35 million gallons, single-strength basis, and by 50 percent in value to $10 million.

Imports of **unmanufactured tobacco** (duty-paid, for consumption) in fiscal 1972 totaled 259 million pounds, or 16 percent more than in the earlier year. Value was up 13 percent to $145 million. Purchases of oriental leaf—mostly from Turkey, Greece, Yugoslavia, and Lebanon—rose moderately, but lower-priced stems and scrap from the Philippines, the Dominican Republic, Colombia, and Brazil gained sharply.

Sugar imports were slightly above the 1970-71 level, at 5.5 million tons, but higher prices pushed value up by 12 percent to $832 million. Unit value rose by $8 to $150 per ton.

Expanded U.S. demand for **table wines** boosted imports by about a third, to 31 million gallons, in fiscal 1972, with the biggest gains in those from Spain and Portugal. Table wine value increased by a fourth to $128 million.

In sharp contrast to the situation for competitive imports was that for noncompetitive items—largely tropical products not produced in the United States. Static demand and lower prices held total import value of these products below the fiscal 1971 level, despite a 7-percent increase in the quantity index (1967 = 100) to 108.

Imports of green **coffee** grew 6 percent in volume to nearly 1.3 million metric tons, but value slipped 4 percent to $1,112 million. However, green coffee unit values in fiscal 1971 had been relatively high, averaging 44 cents per pound, owing to reduced Brazilian production. In fiscal 1972, they were somewhat lower, at just under 40 cents per pound, but remained well above historical levels.

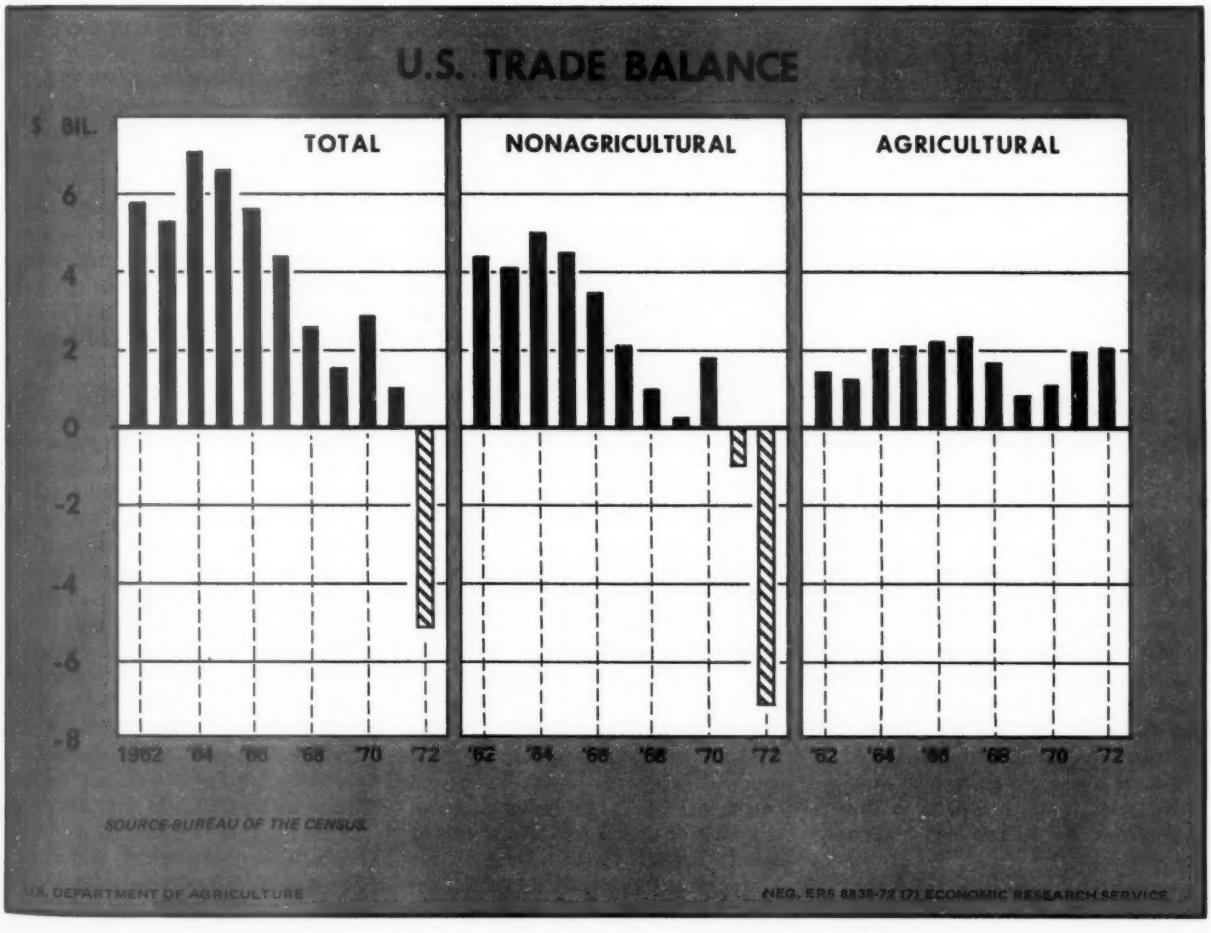
Soluble coffee imports gained slightly to 43 million pounds in fiscal 1972, but value remained near $58 million. Roasted and ground coffee imports were double those of fiscal 1971, with value climbing to $14 million from $7 million.

Imports of **cocoa beans** grew 12 percent to 754 million pounds, but lower prices dropped their value 11 percent to $170 million. Average unit values fell to 22 cents per pound from a high of 28 cents in fiscal 1971, when heavy rains cut back West African crops.

Natural **rubber** imports, at $203 million, earned slightly more than in fiscal 1971. Smoked sheet and crepe purchases were up 9 percent in volume to 546,000 tons, but lower prices reduced their value 4 percent to $172 million.

Imports of **bananas** in fiscal 1972 were down 5 percent to 1.8 million metric tons.

Offsetting gains occurred in some of the other noncompetitive agricultural imports, including tea, most spices, carpet wool, essential oils, natural drugs, and hard fibers.



Lower Prices, Crop Damage Stall Growth Of Mexican Cotton Output

By HORACE G. PORTER
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DESPITE ONE OF their more profitable years of late, Mexican cotton producers are viewing future crops with a cautious eye. The reason—a sudden downturn in cotton prices in midsummer, coupled with late-season losses in several important producing areas.

The recent losses, resulting from heavy rains plus some insect and rust damage, have lowered Mexican production prospects for the 1972-73 crop to around 1.68 million bales (480 lb. net) from the August estimate of 1.77 million and last season's crop of 1.71 million. Much of the damage occurred in the important producing States of Sonora and Sinaloa, where torrential rains of up to 28 inches during 2-3 days in mid-August damaged cotton still remaining to be harvested. Losses for the two States alone are estimated at 100,000 bales, and quality of the remaining crop has been greatly reduced.

Also hard hit was the Laguna/Delicias area where rains plus insect infestation and leaf rust reduced output below earlier forecasts. Losses in the area are currently estimated at 35,000 bales and could go as high as 45,000. Decreases may also occur in Tapachula, Mexicali, Juarez, and Matamoros.

Accompanying the production shortfall and quality deterioration has been a steady decline in prices from the high levels that were encouraging producers at the first of the season. As a result, attempts by the Mexican Government to encourage production appear stalled, and growers may well direct more attention to competitive crops like wheat and soybeans.

These problems, ironically, follow 2 years of unusually good returns for Mexican cotton growers.

The worldwide cotton shortage that developed in 1971 led to rapid increases in local cotton prices, which climbed from about 26 cents per pound (for Strict Middling Quality), early in the season to almost 32 cents at the end. Cotton yields also hit a very high level, further increasing the farmers' incomes.

These high returns, plus the widely recognized importance of cotton as a labor-intensive export crop, prompted the Mexican Government to encourage farmers to expand cotton production in 1972-73.

Many farmers responded to this combination of favorable returns and Government interest by increasing their acreage—up an estimated 6 percent to 1.2 million acres in 1972-73. Plantings more than doubled in Delicias, where they climbed from 21,000 acres to 44,000. And almost as many acres were added to each of the much larger producing zones of Chiapas and the west coast.

At the beginning of the season, it looked as if the increased plantings would not have a negative effect on prices. Prices started out at about 29.2 cents per pound and rose as high as 33.9 cents last winter. A decline soon set in, however, and by mid-July, prices had sunk to about 29.2 cents—still above the average for the previous season. But they continued to fall, reaching around 26.8 cents by early August.

Even more drastic was the decline in prices for cottonseed. These fell from a 1971-72 level of $102 per short ton to about $76.

Behind the initial drop in prices was a gradual realization in the world market that 1971-72 production in some countries was larger than had been expected and that farmers in many countries would be trying to expand output in 1972-73. With domestic consumption of cotton virtually static—at around 670,000-710,000 bales a year—Mexico is very dependent on this export market, particularly in Japan, and thus very sensitive to price changes.

Prices on the world market began to fall last winter, and by July 1972, the Liverpool c.i.f. price for Mexican SM 1-1/16″ cotton was down to 35.45 cents per pound from the 40.58 cents recorded in February.

This price weakness was further aggravated by the rain damage to Mexico's cotton crop, which reduced total exportable supplies by some 90,000 bales from the earlier estimate of 975,000 and also lowered the quality of much of the crop. Through late summer, some 550,000 tons of the cotton had been committed for export.

IN JULY, the Mexican cotton industry had been expecting average returns to be about as high or higher than the favorable levels of 1971-72. Now, while some producers have had the satisfaction of selling their crop early at the "high" many more have been discouraged by the recent price declines, crop losses, and quality deterioration.

These negative developments, coming at the end of the season, are likely to have a major impact on plantings in 1973-74.

Another factor that will influence 1973 cotton acreage, but which is difficult to assess at this time, is the relationship between cotton and alternative crops.

In parts of the west coast area, wheat and soybeans grown in combination compete with cotton for land. Which of the alternatives is chosen in a given year depends on prices for the three crops and the prospective supply of irrigation water.

Currently, soybean prices are strong, and the wheat-soybean combination looks attractive when compared with cotton lint's declining price trend and cottonseed's sharply lower prices.

If water is sufficient for both wheat and soybeans, farmers may be encouraged to shift some land from cotton to the other crops. However, if water is not that plentiful, and is available for only one crop, cotton will probably be more attractive unless price relationships become very unfavorable.

Taking these various factors into consideration, members of the Mexican cotton industry as of mid-July felt that cotton acreage in 1973 would show little change from 1972. This projection assumed that continued Government encouragement of expanded cotton

(Continued on page 16)

Rapid Expansion Of Taiwan's Feed Industry Spurs Bigger Imports of U.S. Soybeans

By STEVE CHEN
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and NORMAN J. PETTIPAW
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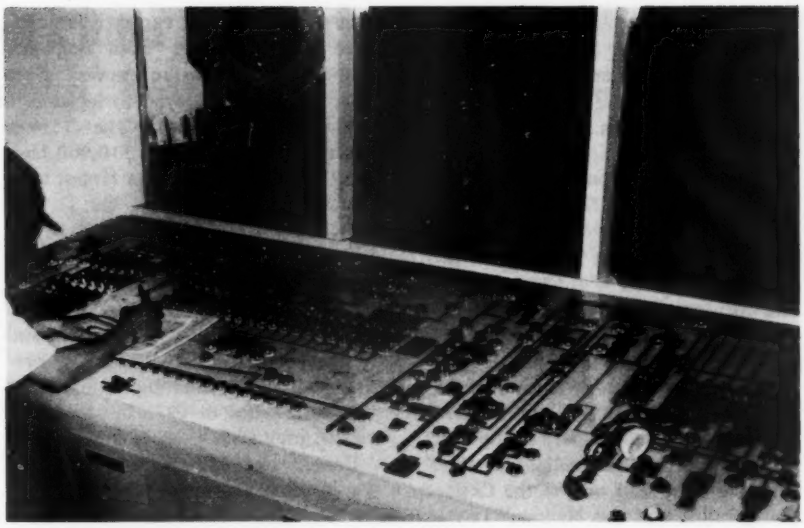

Control panel measures ingredients in a modern feed mill in Taiwan.

TAIWAN, WITH A POPULATION exceeding 15 million on an area smaller than that of the State of Maryland, has experienced a rapid increase in livestock and poultry production in response to rising demand for meat, eggs, and milk. Because only a quarter of Taiwan's land is arable, about 90 percent of the ingredients required by the feed industry must be imported.

From 1962 to 1971 Taiwan's imports of grains for feed use increased from less than 100,000 metric tons a year to over a million tons. Soybean imports grew from 62,000 tons to 525,000 tons in the same period; a large increase in fishmeal was also recorded.

While the United States has supplied almost all of Taiwan's soybean imports, Thailand has been the major source of corn, because of lower ocean freight rates and preferential trade agreements, while Australia has supplied most of the barley and feed wheat.

Trade statistics show that exports of U.S. soybeans to Taiwan have almost doubled in value since fiscal 1968—from $31.5 million to $60.6 million in fiscal 1971. In the latter year, when total U.S. agricultural exports to Taiwan amounted to $168.5 million, soybean shipments, at 552,158 tons, accounted for 35 percent of total value. Exports of corn and barley amounted to nearly 60,000 tons, with a value of some $4 million.

Growing feed industry. The history of Taiwan's commercial feed industry goes back less than 10 years. Capital investment in feed mills is about US$90 million, and annual sales now exceed US$130 million. Most of Taiwan's large feed mills use foreign-made equipment to achieve efficient operation, but only seven are equipped with pellet mills. Several feed mills have agreements with Japanese or American firms to obtain advanced feed mill technology.

Taiwan's feed industry may be divided into three sectors: The private feed industry, the Taiwan Sugar Corporation, and the Farmers' Association.

The Taiwan Feed Industry Association (TFIA) was organized in 1963 with 38 member firms. This association has grown substantially in recent years and now totals 112 members. Total production capacity of member feed mills now exceeds 1 million metric tons a year.

The Taiwan Sugar Company, which has operated several small feed mills of its own, has established a joint capital venture, Cargill-Taiwan, with an American firm. Their large modern feed mill began operations in October 1971, in the port city of Kao Hsiung.

The Taiwan Farmers' Association, a nationwide farm cooperative, has 15 small feed mills in operation. These mills, utilizing locally manufactured equipment, were built with financial and technical assistance of the Joint Commission on Rural Reconstruction (JCRR). One cooperative mill specializes in poultry feed, while the other 14 make only hog feeds. Total annual production capacity of the Farmers' Association mills is approximately 90,000 metric tons. The mills are currently operating at 90 percent of capacity. The Farmers' Association plans to build a modern plant in 1973 with a capacity of 10,000 tons a month.

TAIWAN'S IMPORTS OF FEEDGRAINS, SOYBEANS, AND FISHMEAL, 1962-71
[In thousands of metric tons]

Year	Corn	Feed wheat	Barley	Sorghum	Total feedgrains	Soybeans	Fishmeal
1962	2	67	10	12	91	62	4
1963	6	97	6	8	117	168	3
1964	9	70	10	5	94	182	3
1965	56	94	7	0	157	182	6
1966	65	72	0	2	139	165	6
1967	134	74	27	0	235	351	15
1968	361	112	53	2	528	385	16
1969	388	176	93	1	658	472	32
1970	602	151	239	4	996	618	35
1971	554	129	321	29	1,033	525	45

Trade of China, Joint Commission on Rural Reconstruction.

The private feed industry has an estimated 80-percent share of total feed business, the Farmers' Association 10 percent, and Cargill-Taiwan 10 percent.

Industry dilemmas. Several problems face Taiwan's feed industry today:

- Import duties on feed ingredients must be reduced if Taiwan is to compete with other countries in exporting pork. Current duties include 13 percent on soybeans; 6 percent on corn; and 10 percent on fish meal and alfalfa meal.
- The rapid growth of the feed industry has resulted in a shortage of feed mill technicians. The American Soybean Institute, as part of its market development activities, is establishing a pilot feed mill at the College of Agriculture of the National Taiwan University. With this mill the University will be able to train college students in feed mill technology, and offer short courses for technicians of existing feed mills during the University's summer vacation period.
- Taiwan does not as yet have a basic feed law. A draft law, now before the Government, should assist in further development of the feed industry through uniform feed standards.
- Nutritional research must be expanded to meet the needs of the new industry. A Pig Research Institute and a Duck Research Center were established during 1971. Several of the larger feed mills have also undertaken research programs. As part of the Foreign Agricultural Service's market development program the American Soybean Institute, the U.S. Feed Grains Council, and the National Renderers Association have cooperated in several feeding trials, have sponsored visits to Taiwan by U.S. technicians, and have aided the industry to establish a monthly feed magazine.
- Inadequate transport and storage facilities have increased the cost of feed in Taiwan. Essentially, all feed ingredients and mixed feeds are transported in bags and stored in flat warehouses. Several major feed mills recently began construction of bulk storage for feedgrains, and Cargill-Taiwan has initiated delivery of mixed feeds in bulk. Bulk transport of feed ingredients such as corn, soybean meal, and mixed feeds will reduce costs substantially (see *Foreign Agriculture*, June 21, 1971).

Future developments. The trend toward more commercial livestock production on Taiwan is expected to accelerate in the future. Both hog and poultry production are moving from the small farmyard type to large-scale commercial operations. The Taiwan Sugar Corporation raised 310,000 hogs in 1971, and is one of the largest such operations in the world; the Li Tah Agriculture Produce Company, a private firm, is producing 16,000 hogs a year at one location.

Major feed mills are integrating into livestock and poultry production and meat processing. Large-scale hog production and marketing subsidiaries were established in 1971 by three Taiwanese producers.

Broiler and layer operations have also been moving into commercial-scale operations at a rapid rate. There are now 1,400 poultry farms with over 5,000 birds each; 120 with more than 10,000; 30 with more than 50,000; and two farms with more than 100,000 birds each. A rapid development of beef cattle feedlots is expected in the near future, primarily by large companies.

The future development of Taiwan's feed industry depends on the production of quality feeds at the lowest possible cost. Therefore, any factors which will reduce production costs, such as lower waste of nutrients, bulk storage and transport of grains and feeds, reduced labor costs, efficient operations and good management, and breeding research, must be stressed.

NEW ZEALAND UPS IMPORTS OF U.S. CITRUS FRUITS, GRAPES, AND PINEAPPLES

U.S. exports to New Zealand of citrus fruits, grapes, and pineapples have jumped sharply during 1972. A variety of factors have contributed to the increased sales.

Oranges have moved better because they have been better quality this year, dollar devaluation has lowered prices, and extensive advertising has been undertaken by a U.S. firm in the New Zealand market.

As a result, about 350,000 boxes of California Valencia oranges were purchased this season (January-April 1972) by Fruit Distributors, Ltd., sole importer of citrus fruits, grapes, and pineapples in Wellington. This compares with purchases of just under 200,000 boxes during the same period a year earlier. For the first 8 months of 1972, the value of U.S. orange exports to New Zealand was approximately $924,000.

The normal season for oranges sees California Valencias on the New Zealand market from January through April each year, Australian navel oranges from May to August, and Australian Valencias available from September to December.

Liberalization of import licensing for grapes and pineapples has resulted in increased U.S. exports of these products. Import licenses for grapes were liberalized on July 1 1971, and since that time, 28,000 lugs (nearly 200,000 pounds) of fresh grapes have been imported. Last season (July-September 1971), about 6,000 lugs were shipped by air and sold as high as US$1.67 per pound retail. They found ready consumer acceptance at that price because no grapes are available in New Zealand during the winter months.

This year the Wellington distributor expects to import 22,000 lugs valued at about $155,000 f.o.b. Most of the grapes purchased this year are being brought in by ship which reduces the retail price considerably.

Prior to the arrival of additional supplies late in September, the price of U.S. grapes retailing in New Zealand shops was about NZ$1.00 a pound; it now is around 75 NZ cents a pound.

Another bright spot in the U.S. trade picture is Hawaiian pineapples. Until recently the New Zealand distributor had a problem getting shipping space southbound out of Hawaii. However, a ship recently has been rescheduled and now provides southbound service from Honolulu. As a result, New Zealand expects to import pineapples regularly from Hawaii. About 4,000 cartons arrived recently and were sold immediately. Trade in Hawaiian pineapples will undoubtedly increase if southbound shipping remains available.

The value of U.S. grapefruit exports for January-August 1972 stands at about $60,500, nearly double that of the same period in 1971.

—Based on a dispatch from
ROLLAND E. ANDERSON, JR.
U.S. Agricultural Attaché, Wellington

Mainland China's Tung Oil Exports To USSR, Japan, and Poland Rise Sharply

MAINLAND CHINA'S exports of tung oil in calendar 1971 are estimated to have increased to more than 19,000 metric tons, according to reported imports into major importing countries. This is about 7,600 tons or two-thirds above the previous year and the largest volume since 1960. The increase was chiefly reflected in larger movements to the Soviet Union, Japan, and Poland.

Although we have no solid information on Chinese tung oil production, domestic use, complete exports, or stocks, several factors could be having a significant impact on exports.

Both the volume and proportion of Chinese tung oil moving to Western Europe have apparently declined sharply during the 1966-71 period. The decline probably reflects the increased costs of ocean transportation since closure of the Suez Canal in June of 1967.

Chinese tung oil movements to the Soviet Union, which were resumed in 1970, were stepped up sharply in 1971 and accounted for nearly one-third of the total. The 1971 volume was the largest since 1960. The large increase in Chinese movement to the Soviet Union represents some increase in consumption there but largely a shift from the Argentine tung oil imported in 1968 and 1969.

China's major tung oil market is now Japan and imports from China in 1971 accounted for virtually all of Japanese supplies. In 1971, Japan showed the largest volume of growth in tung oil imports—both from China as well as for total imports of tung oil from all suppliers.

China's resurgence of tung oil exports in 1971 forced Argentina and Paraguay to seek expanded foreign markets elsewhere during a period when both countries were attempting to expand their exports. The result was that world exports of tung oil increased by about 38 percent to nearly 54,000 tons, which broke world tung oil prices by more than 50 percent from the 1970 level. The sharp decline in 1971 tung oil prices no doubt reflected China's efforts to expand exports as well as the inability of Argentina and Paraguay to curb exports in the face of an inelastic demand for this commodity.

The relatively high but gradually weakening world prices for tung oil in 1970 together with prospective larger South American shipments may have been key factors in China's timing of increased tung oil exports, although it may also have reflected some increase in its domestic availabilities.

Looking ahead to 1972-73, there may be a significant increase in exports from Argentina and Paraguay. Offsetting this increase, however, could be the effects of currency revaluation in Japan and certain West European countries, together with the likelihood of a reduction in Chinese exports as indicated by a wide price spread between Chinese and South American tung oil in Europe. Consequently, it seems doubtful that tung oil prices would decline from the low level of about 10 cents per pound in August for South American tung oil, ex-tank Europe.

—ALAN E. HOLZ
Fats and Oils Division
Foreign Agricultural Service

TUNG OIL IMPORTS FROM MAINLAND CHINA
[In metric tons]

Importing country	1966	1967	1968	1969	1970 [1]	1971 [1]
Austria	228	89	102	148	135	49
Belgium-Luxembourg	252	238	242	150	147	17
Denmark	381	273	283	220	[2] 200	[2] 200
France	421	85	91	20	0	42
Germany, West	1,742	736	575	186	[2] 150	[2] 150
Italy	848	641	438	0	372	0
Netherlands	1,120	885	624	572	365	176
Norway	275	146	[2] 261	[2] 184	[2] 257	[2] 235
Sweden	498	672	427	518	431	[2] 450
United Kingdom	2,866	680	0	1,694	[2] 550	[2] 550
USSR	1,300	3,000	0	0	2,000	6,300
Hong Kong	987	447	325	512	329	431
Japan	3,934	4,315	4,464	6,228	4,879	8,269
Australia [4]	969	977	1,024	821	866	932
New Zealand [4]	218	239	189	196	[2] 200	[2] 200
Others [5]	406	472	326	122	636	1,129
Total	16,445	13,895	9,371	10,971	11,515	19,130

[1] Preliminary. [2] Estimated. [3] Including oiticica oil. [4] 12 months of year shown ending June 30. [5] Includes Mexico, Poland, India, Malaysia, and Singapore.

CHINESE TUNG OIL, MONTHLY AVERAGE PRICES [1]
[In U.S. cents per lb.]

Month	1968	1969	1970	1971	1972
January	14.4	13.1	26.3	——	11.9
February	14.1	12.8	26.3	14.5	12.8
March	13.9	12.9	26.2	14.5	13.1
April	13.1	12.9	25.9	12.4	13.1
May	12.2	13.5	25.4	12.3	——
June	12.7	15.0	——	12.7	——
July	12.5	15.1	——	——	——
August	12.0	15.2	——	12.9	——
September	12.2	16.9	——	12.8	——
October	12.7	(2)	——	12.7	——
November	12.7	(2)	——	12.7	——
December	13.6	26.3	——	12.0	——
Average	13.0	15.4	26.3	13.0	——

[1] 1968 quoted as Chinese bulk c.i.f. European ports; 1969-72 quoted as Chinese, ex-tank Rotterdam. [2] Not quoted.

Compiled from *Public Ledger*, London (Saturday edition).

Israel's 5-Year Plan Calls for Boosts In Agricultural Production and Exports

By MICHAEL E. KURTZIG
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Cotton, Israel's leading industrial crop, is picked in the Beisan Valley. The Plan expects cotton exports to double in 5 years.

ISRAEL RECENTLY published its latest Five-Year Development Plan, which runs from 1971-72 to 1975-76. The Plan calls for boosts in production and export of most crops based more on larger yield than on an increase in farm area.

Overall objectives of the Plan, according to Israeli Minister of Agriculture Chaim Gvati, are: To stabilize and improve farmers' income; to further develop exports of fresh and processed agricultural products; to apply more efficient methods to farm production; and to promote integrated regional development of rural areas.

The Plan forecasts that the rate of growth of agricultural production between 1971 and 1975 should be approximately the same as between 1966 and 1971—about 8 percent. In terms of value, farm output is expected to increase by about 41 percent. At 1969-70 prices, this means a growth from $567 million to $799 million in the 5-year period.[1]

Within the next 5 years, Israel's total investment in farm production, which includes community development and water projects, should reach a 5-year total of about $583 million. About 40 percent of this will be in foreign currency. It is expected that increases in agricultural-production value and farmer incomes will be greater than the rise in investments. Higher yields, more efficient marketing methods, better product quality—all the result of technological improvements—will bring these increases about.

Exports of fresh agricultural products should rise by 62 percent over those of 1970 to a total of $198.5 million. Of this amount, citrus was to have accounted for just under $113 million—a figure sure to be revised upward because of bumper citrus crops in 1969-70 and 1971-72. Vegetable exports will probably total slightly under $20 million.

Exports of industrial crops such as peanuts and cotton are expected to have a value of $25.2 million by 1975, compared with $14.3 million in 1970. Live animal exports are expected to reach $14 million by the end of the Plan, from $6.3 million in 1970.

With processed agricultural products planned to increase to about $88 million, total farm exports for 1975-76 should reach $286 million, a jump of about 45 percent over 1970.

Projecting U.S. export possibilities to Israel is difficult because the Plan is for Israel proper and does not include the needs of the Occupied Territories. U.S. agricultural exporters to Israel must take into consideration probable continued growing use of feedgrains, wheat flour, vegetable oil, and a number of other items, by consumers in the Occupied Territories.

Farmers in the West Bank, for example, are trying to boost egg and poultry-meat production and to a lesser extent dairy production. Grain feeding of lambs to heavier weights, to offset Israel's health ban on imports of lamb and sheep from the East, may—like the poultry and dairy effort—also increase use of feedgrains.

It should be noted that if the Plan is implemented as contemplated, future demand in Israel proper for feedgrains and soybean meal will probably remain strong because poultry and meat production is to be increased. The United States has been Israel's largest supplier of cereals (including feedgrains) and oilseeds (mainly soybeans) in recent years, and there is no indication that much change will occur during the life of the Plan.

[1] Conversions are based on a rate of US$1 = IS£3.50.

To reduce meat imports, Israel hopes to increase poultry and egg output.

Labor, water, and land. The Development Plan projects a modest growth in the use of farm labor, water, and land in the next 5 years.

In recent years, the number of laborers in agriculture has declined steadily. In 1960, 17.3 percent of the working population was engaged in farm production; 6 years later the figure stood at 12.4 percent. In 1970, it was 8.8 percent. The Five-Year Plan states that the declining trend in the number of farm laborers will be reversed as a greater demand for workers is expected to materialize.

However, the National Economic Development Plan, 1971-75, published by the Ministry of Finance in December 1971, forecasts a decline from 93,000 persons employed in agriculture in 1970 to 89,000 in 1975. This means that only 7.2 percent of the total work force will be employed in farming.

The discrepancy between these two documents is, for the moment, without explanation.

Israel's water supply is expected to grow by only 3.8 percent during the Five-Year Plan. The 40-million-cubic-

Israeli girls pick irrigated tomatoes, which may be processed or frozen for export.

Peppers are sorted for export at a regional center at Beisan.

Israeli-Friesian beef cattle (above) are heavily dependent on U.S. feedgrains.

meter increase would bring the country's total water supply to 1.125 billion cubic meters. This means that water use will continue to be carefully regulated, while serious efforts will be made to get optimum benefit from every drop.

Land under cultivation will increase by 7 percent to 1.09 million acres. Total new plantings of citrus trees will amount to some 11,600 acres, and citrus trees will be replaced on 2,220 additional acres. Major area increases will take place in grapefruit and tangerine groves. Grapefruit area will be boosted by 5,930 acres, that of tangerines will rise by 3,580 acres.

Citrus. The Plan calls for citrus production to increase 23 percent over the 5-year period to 1.55 million tons. This figure is already undergoing reevaluation, however, because it is possible citrus production in 1971-72 has already exceeded the target set for 1975-76.

Outturn in 1970-71 reached 1.496 million tons. By mid-1972, the Citrus Marketing Board reported that 1971-72 output had reached 1.575 million tons, although at least 50,000 tons of this volume was from Gaza. Thus it would seem that most of the 23-percent increase was achieved between 1969-70 and 1970-71, and was surpassed this season.

Two-thirds of Israel's citrus produced under the Plan is expected to reach the export market as fresh citrus, with the rest going for processing and domestic consumption. In absolute numbers, total Israeli citrus consumption remains rather small, although Israel's per capita consumption of fresh citrus is among the highest in the world. Also, citrus sold as fresh fruit brings a better price.

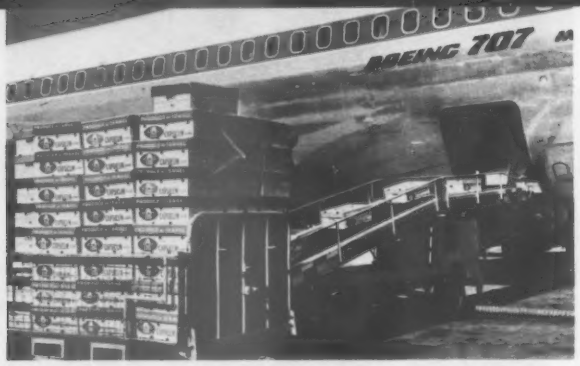
In 1970-71, for example, some 80,200 metric tons of oranges sold on the fresh market netted producers nearly $11 million, while 545,300 tons delivered to the processing industry brought only $14 million.

Exported citrus has been Israel's largest agricultural money-earner. In 1970-71, citrus exports brought in $117 million, 31 percent more than the $89 million of the previous season. This resulted from the sale of a larger volume, as well as higher prices received in Europe.

Noncitrus fruits and nuts. A program of continuous development is slated for vineyards and orchards growing apples, peaches, apricots, plums, grapes, pecans, avocadoes, mangoes, loquats, pineapples, and persimmons. Area devoted to these crops is expected to be increased by approximately 10,510 acres to a total of 97,110 acres.

Total production should rise to 362,000 tons by 1975, an increase of just about 24 percent over 1970 output. The value of the crop at that time should be up to about $78.6 million, a jump of 33 percent over 1969-70.

Vegetables. The Plan's production aims in this area are to assure a steady domestic supply of both fresh and processed vegetables, while at the same time to provide for export needs. While production is expected to increase by 31 percent, planned area expansion is set at only 3.3 percent. Increased yields are expected to double the value of vegetable exports, from $9 million in 1970 to $19 million by the end of the Plan.



Lettuce in transit to the European market. Increased yields, rather than area planted, may double exports.

Government extension courses in irrigation techniques interest farmers, as water continues in short supply.

By 1975, one-third of the entire vegetable crop is slated for processing. The main development will be an increase in the volume of processed tomatoes going into export markets. Considerably larger volumes of melons, corn, and pearl onions will also be processed for export. Increased amounts of frozen vegetables will also be shipped out of the country.

Specialty products. Continued emphasis will be laid on specialty items such as flowers, whose export value is planned to increase to $16 million by 1975, from $5 million in 1970. Total export tonnage of avocados will almost double to 11,000 tons worth about $5 million, more than 2½ times greater than the 1970 value. Exports of strawberries will increase from about $1.8 million in 1970 to just over $4 million by the end of the Plan.

Industrial crops. Area allotted to industrial crop production will increase by about 40 percent to just under 175,400 acres. Cotton, the leading industrial crop, should increase in area to some 103,700 acres, up 21 percent over that of 1970. The area planted to peanuts will rise by 22 percent, and that of sugarbeets by 35 percent.

Production of most industrial crops is also expected to rise. Lint cotton output should reach 55,400 tons, up 57 percent over 1970. Cotton exports are planned to increase 8,000 tons during the Plan to a total of 28,400 tons, for a value of $17 million. Sugarbeet production should rise to 304,000 tons, up about 28 percent in 5 years.

Grains. Wheat production should be up to 310,000 tons by 1975, twice the recent yearly average but only 11 percent over the production forecast for 1972. While wheat area will remain basically the same, some 284,160 acres, yields are expected to increase from greater use of high-yielding varieties, some on irrigated land. The amount of rainfall during the growing season is the single most important factor so far as yields from rainfed fields are concerned.

Israel will continue to be heavily dependent on imported feedgrains and wheat. According to the Five-Year Plan, total wheat use in 1975-76 will be 489,000 metric tons, of which 179,100 metric tons will be imported. Total feedgrain use is expected to reach slightly more than 1 million metric tons, of which some 895,500 tons will be imported as follows: Barley, 100,900 tons; corn, 144,630 tons; sorghum, 649,000 tons; plus 1,000 tons of other grains. These figures do not include grain usage by the Occupied Territories, which could increase the total considerably.

The Development Plan also states that soybean use and imports will rise to 330,200 tons, but it makes no provision for net imports of soybean oil.

Livestock and meat. Production of meat will increase substantially over the 5-year period to a total of 247,000 tons, up from just under 153,000 tons in 1970. The rise will primarily be in poultry meat, up from 102,000 tons (liveweight) in 1970 to 177,000 tons by 1975, a 74-percent increase. Production of cattle meat will rise by just under 50 percent to 53,000 tons (liveweight).

The Plan calls for almost doubling the number of beef cows by 1975-76 to 29,000 head. At that time, meat from beef herds is expected to be 8,600 tons, while 42,000 tons (both liveweight) will come from dairy herds.

Continued emphasis by the Israeli Government to reduce beef imports in order to lower expenditures of foreign exchange has brought about a substantial rise in per capita consumption of poultry meat. This trend should continue, especially in view of the high level of beef prices.

A substantial increase is also noted in the production of turkey meat, which should reach 45,000 tons liveweight by 1975, compared with 23,000 tons in 1971.

CROPS AND MARKETS

GRAINS, FEEDS, PULSES, AND SEEDS

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	Oct. 25	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14	2.74	+6	1.97
USSR SKS-14	(1)	(1)	(1)
Australian FAQ [2]	2.63	+1	1.66
U.S. No. 2 Dark Northern Spring:			
14 percent	2.54	0	1.88
15 percent	2.49	−7	(1)
U.S. No. 2 Hard Winter:			
13.5 percent	2.50	0	1.79
No. 3 Hard Amber Durum	2.61	0	1.80
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	(1)	(1)	(1)
Feedgrains:			
U.S. No. 3 Yellow corn	1.63	−1	1.38
Argentine Plate corn	2.04	+1	1.56
U.S. No. 2 sorghum	1.74	−1	1.35
Argentine-Granifero sorghum	1.74	−1	1.36
U.S. No. 3 Feed barley	(1)	(1)	1.06
Soybeans:			
U.S. No. 2 Yellow	3.74	+7	3.40
EC import levies:			
Wheat [3]	[4] 1.32	+1	1.54
Corn [5]	[4] 1.16	0	1.03
Sorghum [5]	[4] 1.06	+2	1.05

[1] Not quoted. [2] Basis c.i.f. Tilbury, England. [3] Durum has a separate levy. [4] Effective October 14, 1971, validity of licenses with levies fixed in advance is a maximum of 30 days. [5] Italian levies are 21 cents a bu. lower than those of other EC countries. Note: Basis 30- to 60-day delivery.

Australia Signs Wheat Contract With People's Republic of China

Australia, on September 27, announced the signing of a contract with the People's Republic of China for the sale of 1 million tons of wheat. Reportedly, the arrangement also includes a long-term commitment from Peking to buy more than this amount annually—possibly 2 million tons a year.

Shipments under the million-ton contract will commence in January 1973 and continue for 12 months. The long-term commitment would begin in 1974. Terms of the new contract are similar to those of the 1960's—10 percent cash, 20 percent within 6 months, 20 percent at 9 months, and the remaining 50 percent a year after shipment.

While Australia's supply situation will be tightened by the current sale, China is remembered in Australia as a steady customer, with purchases that spurred Australian wheat production in the 1960's and amounted to over 2 million tons in some years.

Italy Exports More Rice in 1971-72

Italian rice exports in 1971-72 were up to 600,000 metric tons, an increase of 38 percent over 1970-71. Although the 1972-73 crop will rise by 2 percent to about 900,000 tons, exports in 1972-73 are expected to be down slightly to 550,000 tons because of depleted stocks.

In 1971-72 larger quantities of Italian rice moved into other EC countries, Africa, the United Kingdom, Austria, and several East European countries.

Rice Supplies Crucial In Khmer Republic

Rice supplies in the Khmer Republic (formerly Cambodia) are low and will continue to be down until the next harvest in mid-January. The forecast for next year's harvest is poor.

In helping to meet the food crisis there, the United States agreed on October 2 to ship 30,000 metric tons of rice under the P.L. 480 program for delivery scheduled to begin in December.

Mexican Corn Production Down

Dry conditions have sharply reduced the Mexican corn harvest this year. Mexico usually is a net exporter and also needs about 10 million tons of corn annually to fill domestic needs.

SUGAR AND TROPICAL PRODUCTS

FAO Ad Hoc Group Studies World Pepper Situation

An FAO ad hoc consultation on pepper was held in Rome October 27-28, 1972, just prior to the opening of the Forty-Seventh Session of the Committee on Commodity Problems (CCP). This consultation, agreed to at the Forty-Sixth Session of the CCP, undertook a review of the current pepper situation, the long-term outlook, and the underlying causes of price fluctuations. The consultation will make recommendations to the Forty-Seventh Session of the CCP as to whether there is a need for international action, including the possibility of establishing an Intergovernmental Group on Pepper.

At the Forty-Sixth Session of the CCP, producers strongly recommended the establishment of an FAO study group on

pepper, which they felt could examine the problems of the world pepper economy in depth and devise solutions. On the other hand, most importing countries opposed the formation of a study group because of the inadequacy of information on production and stocks, and because of the relatively minor importance of pepper in world agricultural trade. The annual value of world pepper exports in recent years has generally been between $50 million and $60 million.

Pepper prices during 1971 averaged nearly 50 cents per pound (N.Y. spot Indonesian black), and for the first 9 months of 1972 they have averaged about 46 cents. Prices averaged 33 cents in 1968 and 41 cents in 1969, rising still further to 57 cents in 1970, reflecting poor crops in Indonesia. Although prices have fallen somewhat from the unusually high levels of 1970, they are still quite adequate for producers.

Producers Set Global Tea Export Quotas

An FAO-sponsored meeting of representatives of 15 tea-exporting countries, which account for over 90 percent of world exports, was held in Rome in September under the auspices of the Sub-Group of Exporters of the Intergovernmental Group on Tea.

A global export quota of 619,000 metric tons for black teas was set for the 12-month period ending March 31, 1973, and a quota of 645,000 tons for the year ending March 31, 1974. In addition, a provisional quota of 670,000 tons was agreed upon for the 1974-75 marketing year.

The allocations of the export quotas have thus far been so liberal that they have had no appreciable impact on tea prices.

FRUITS, NUTS, AND VEGETABLES

U.S. Potato Export Prospects Look Bright

Requests for a large quantity of potatoes, both seed and table stock, have been received from Argentina, Uruguay, Peru, and Chile. The potato industry has been alerted. Maine shippers are loading 200 carlots on an order received by a Canadian firm for export to Argentina. USDA has encouraged the Pacific Northwest to offer several thousand tons of "stripper grade" (4 to 8 oz.) Burbank potatoes. This size sells at a discount in U.S. and Canadian markets.

French Dried Prune Crop Well Above 1971 Output

France reports a larger 1972 dried prune pack. Production is estimated at 18,700 short tons, 6 percent above 1971 and 34 percent above the 1965-69 average. Weather turned cold following bloom and fruit droppage was evident during April. Weather later in the season was generally good, although a large mid-August thunderstorm caused some damage.

Grower prices are established annually by the Interprofessional Bureau of Agen Prune and approved by the Ministry of Agriculture. Proposed 1972 prices indicate increases of about 8 percent (in French francs) for most items.

PRICES PAID TO FRENCH GROWERS
[In U.S. cents per pound]

Number per pound	Price 1971	Price Proposed 1972
40/50	30.3	36.2
50/60	27.4	32.8
60/70	24.1	28.9
70/80	20.9	24.9
80/90	17.6	21.0
90/100	14.3	17.1
100/110	11.5	13.7
110/120	10.3	12.2
120/130	9.0	11.7
130/140	8.2	9.8

SUPPLY AND DISTRIBUTION OF FRENCH DRIED PRUNES
[In thousands of short tons]

Item	1967-70	1970-71	1971-72[1]	1972-73[2]
Beginning stocks (Sept. 1)	2.8	1.9	5.5	4.4
Production	17.6	15.4	17.6	18.7
Imports	5.4	6.3	2.8	—
Total supply	25.8	23.6	25.9	—
Exports	1.6	.6	1.1	—
Domestic disappearance	22.3	17.5	20.4	—
Ending stocks (Aug. 31)	1.9	5.5	4.4	—
Total distribution	25.8	23.6	25.9	—

[1] Estimated. [2] Forecast.

COTTON

United States Supplies 92 Percent Of Canadian Cotton Market

During the past 2 marketing years (year beginning August 1), with tight world supplies of cotton and sharply rising prices, the pattern of Canadian cotton imports has shifted so that the United States again has the lion's share of the Canadian market. Canada became the third major destination for U.S. cotton exports in 1970-71 and 1971-72, up from sixth place in 1969-70.

In the early 1960's U.S. cotton was by far the most popular cotton in Canada and shipments by the United States averaged 94 percent of Canada's import market. By 1965, however, the United States began to receive strong competition from Mexico and the Soviet Union for sales to Canada. Purchases from Mexico climbed from 12,000 bales (480 lb. net) in 1960-61 to 74,000 in 1965-66 and 151,000 in 1968-69. Canadians also began to find Soviet cotton desirable and initial purchases from the USSR rose from 1,000 bales in 1964-65 to 77,000 the following year. They peaked at 95,000 bales in 1967-68.

Meanwhile, during the mid-to-late 1960's the U.S. share of the Canadian cotton market plummeted—holding on to only one-third of the market (115,000 bales) by 1968-69. The level of U.S. prices was an important factor in the decline. U.S. prices were well above both Mexican and Soviet during late 1967 and most of 1968 as U.S. production fell to its

lowest level in this century. Liverpool quotations for SM 1-1/16" are an example: U.S. quotations in Liverpool rose to a peak of 38 cents per pound during this period, while Soviet prices peaked at less than 34.5 cents and Mexican prices never went above 32.7 cents per pound.

A sharp turnabout occurred in 1969-70. U.S. sales to Canada rose to 194,000 bales (58 percent of the market), with only half this amount supplied by Mexico and 12,000 bales by the USSR. In 1970-71 the U.S. share jumped to 90 percent of Canadian imports (305,000 bales) and during the first 11 months of 1971-72 this figure was again exceeded —reaching 301,000 bales or 92 percent of the market. Imports from Mexico during the first 11 months of 1971-72 had dwindled to 22,000 bales and no cotton was imported from the Soviet Union.

The outlook for 1972-73 is for continued large sales of U.S. cotton to Canada. It appears that as long as U.S. cotton remains competitively priced and the quantity and qualities desired are available, Canadian buyers will prefer to purchase through their traditional U.S. trade contacts and U.S. cotton will maintain its edge in the Canadian market.

FATS, OILS, AND OILSEEDS

U.S. Soybean Exports Lagging Behind Same Period in 1971

U.S. exports of soybeans, according to inspection data, were over 9 million bushels or 20 percent behind those of a year ago for the period between September 1 and October 20. This decrease is only temporary, having been caused by the exhaustion of old-crop soybean stocks and delay in harvesting the new crop. The Department of Agriculture forecasts that soybean exports for the entire 1972-73 marketing season will approximate 500 million bushels, compared with 416 million in 1971-72.

U.S. Soybeans Destined For Baltic Seaports

Six foreign-flag vessels carrying 94,000 tons of U.S. soybeans have departed Chicago for Soviet Baltic seaports since mid-September. Destinations have included Klaypeda (Lithuanian S.S.R.), Riga (Latvian S.S.R.), and Leningrad. As these ports are not in the areas generally associated with oilseed processing, it appears that the Soviets are employing these unloading and storage facilities before they become icebound and inoperable.

LIVESTOCK AND MEAT PRODUCTS

U.S. Imports of Meats Subject To Import Law Up in August

Imports by the United States of meats subject to the Meat Import Law were up 57 percent in August bringing the total for the current year to date to 834 million pounds—19 percent above last year. Larger entries from Australia and most of the Central American countries, including Mexico, contributed to the August gain.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW, BY SOURCE, JANUARY-AUGUST 1972 [1] [2]

Country of origin	August		January-August		Change from 1971
	1971	1972	1971	1972	
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*Percent*
Australia	42,316	105,215	299,509	441,652	+47
New Zealand	41,181	32,403	154,835	165,512	+6
Mexico	4,663	6,513	59,435	53,281	−11
Canada	5,992	5,573	52,394	40,889	−22
Costa Rica	335	78	31,271	37,564	+20
Nicaragua	1,834	3,282	22,921	28,782	+25
Ireland	4,009	1,071	47,898	24,152	−50
Guatemala	2,632	2,489	14,545	15,153	+4
Honduras	809	3,302	10,832	13,181	+21
Dominican Republic	960	2,379	3,291	8,344	+153
Panama	30	447	1,383	2,342	+69
El Salvador	—	1,649	—	1,983	—
Haiti	173	159	661	1,244	+88
United Kingdom	3	—	1,152	37	−97
Total [3]	104,937	164,561	700,128	834,117	+19

[1] Preliminary. [2] Fresh, frozen, and chilled beef, veal, mutton, and goat meat, including rejections. Excludes canned meat and other prepared or preserved meat products. [3] May not add due to rounding.

U.S. IMPORTS OF MEAT SUBJECT TO MEAT IMPORT LAW (P.L. 88-482), BY KIND

[In million pounds]

Imports	August	January-August
1972:		
Subject to Meat Import Law [1]	164.6	834.1
Total beef and veal [2]	169.8	918.3
Total red meat [3]	214.5	1,278.2
1971:		
Subject to Meat Import Law [1]	104.9	700.1
Total beef and veal [2]	130.8	828.6
Total red meat [3]	164.2	1,143.2
1970:		
Subject to Meat Import Law [1]	113.0	804.5
Total beef and veal [2]	133.3	900.0
Total red meat [3]	164.6	1,223.1

[1] Fresh, chilled, and frozen beef, veal, mutton, and goat meat, including rejections. [2] All forms, including canned and preserved. [3] Total beef, veal, pork, lamb, mutton, and goat.

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FOREIGN AGRICULTURE

GREECE MAKES PLANS TO EXPORT GRAPEFRUIT AND AVOCADOS

Grapefruit and avocados may soon be added to the rapidly expanding volume of fresh fruits exported by Greece to West European markets, especially the EC countries. Experimental data and field trials indicate that both soils and climate in some of the citrus-growing areas of Greece are well adapted to the production of avocados and grapefruit, especially the latter.

Based on this information Government planners are making preparations, which include securing adequate water supplies, for the production of both fruits. Principal interest is focused on the island of Crete where agricultural experimental station personnel are testing many varieties of both avocados and grapefruit and are multiplying and distributing those varieties showing the greatest promise. The Peloponnesus also is adapted to grapefruit, but apparently not too well to avocados.

Avocado groves are being Government tested in Crete's Mesará Valley, an area fast becoming important as one of "the late fall and early spring fruit and vegetable gardens of Western Europe." Individual farmers in several areas are receiving limited numbers of the small trees as fast as the hard-pressed agricultural station is able to provide them. In addition, at least two American firms are developing commercial avocado groves on the island.

Lack of local skills for producing and marketing avocados will create problems, especially during the initial period. The know-how of the American firms should help to overcome some of these problems.

At the present time there is no significant domestic consumption of avocados in Greece. Production, therefore, is being planned with an eye on foreign markets—especially those of Western Europe. There has been no public indication as to whether Greek-grown avocados would be able to compete in foreign markets without some type of Government-financed assistance. The precedent for providing such assistance, when needed, however, has been established for other goods and commodities Greece exports, including those destined for EC countries.

Grapefruit has been grown successfully but on a small scale throughout the citrus-growing areas of Greece for several years. The "Marsh" variety seems to be the best adapted of those currently being tested. Within the next few years it may be used extensively as a replacement for some of the varieties of oranges now being grown exclusively for the juice industry. Grapefruit could also represent an important share of new citrus plantings in some areas.

The skills needed for the production, handling, and marketing of grapefruit already are present in Greece. In addition, a domestic market is already in existence. Its future, therefore, is more predictable than that for avocados.

The extent to which grapefruit and avocado production expands in Greece will depend to a large degree upon the net income realized per acre from these fruits compared to oranges, lemons, and other citrus, and the rate of expansion of irrigated lands, especially in the dry lands in some areas of Crete.

—By James C. Frie
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Mexican Cotton

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acreage and ample farm credit would offset the farmers' normal inclination to be discouraged by falling prices.

Now, however, the situation has been changed sufficiently by the crop damage—and the prospects of continued low prices—to indicate a decrease in plantings from last season's 1.2 million acres.

Beyond 1973, a more-or-less static production appears likely, given price stability at anything near current levels. New cotton zones are not expected to emerge, as did the Altamira-Tampico area a decade ago. From 15,000 acres in 1961, cotton area here jumped to 524,000 in 1965, only to decline as rapidly and cease production completely by 1971.

There will be additions to irrigated areas in the years ahead, and cotton will gain some as a result, but such increases are expected to be small.